

AMENDED IN SENATE MAY 18, 2010

AMENDED IN SENATE MAY 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

No. 288

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**Introduced by Assembly Member Nestande**  
**(Coauthors: Assembly Members DeVore and Harkey)**  
**(Coauthor: Senator Ducheny)**

February 13, 2009

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~~An act to amend Sections 2079 and 2082 of the Health and Safety Code, relating to vector control. An act to amend Sections 33021, 33334.3, and 33413 of, and to add Section 33334.35 to, the Health and Safety Code, relating to redevelopment.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 288, as amended, Nestande. ~~Vector control.~~ *Redevelopment: pooled housing funds: emergency shelters and transitional housing.*

*The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each area. Existing law also requires that not less than 20% of the tax-increment revenue allocated to a redevelopment agency be used to increase, improve, and preserve the supply of the community's low- and moderate-income housing within the territorial jurisdiction of the agency, and for this purpose, the funds are held in a separate Low and Moderate Income Housing Fund.*

*This bill would redefine the term redevelopment to include improving, increasing, or preserving emergency shelters for homeless persons or*

households. The bill would authorize donor agencies, as defined, located within the same housing region to create and participate in a joint powers authority and to enter into an interagency agreement for the purpose of pooling a permitted portion of housing funds for emergency shelters for homeless persons or households and transitional housing units. The bill would authorize the agencies to transfer a portion of their housing funds to a joint powers authority or to a receiving agency, as defined, for use by the authority or agency pursuant to these provisions. The bill would require that the emergency shelters assisted with low- and moderate-income housing funds remain available at affordable housing cost to specified persons, families, and households for not less than 55 years, provided that a certain requirement is met.

~~Existing law, the Mosquito Abatement and Vector Control District Law, authorizes the establishment of mosquito abatement and vector control districts governed by a board of trustees. The board of trustees is required to provide for regular audits of the district's accounts and records. The law also authorizes the district to levy special benefit assessments to finance vector control projects and programs.~~

~~This bill would require the board of trustees to adopt a formal, written response to any irregularities or accounting issues raised in the audit and provide this response to the appointing authority of each member of the board of trustees. The bill would also require the district before it levies special benefit assessments to provide specified notice to the appointing authority.~~

~~By imposing new duties upon a mosquito abatement and vector control district, this bill would constitute a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes-no~~. State-mandated local program: ~~yes-no~~.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (1) Homelessness is a statewide problem that affects many cities
- 4     and counties. There are an estimated 360,000 homeless individuals

1 *and families in California. In some counties, including the County*  
2 *of Los Angeles, an estimated 254,000 men, women, and children*  
3 *experience homelessness over the course of each year. Some of*  
4 *the causes of homelessness include mental illness, substance abuse,*  
5 *prison release, and a lack of affordable housing.*

6 *(2) Homelessness affects people of all races, genders, ages, and*  
7 *geographic locations. However, the cost and availability of land,*  
8 *geophysical and environmental limitations, community patterns,*  
9 *and the lack of financing make the availability of affordable*  
10 *housing for the homeless more difficult in some communities. These*  
11 *factors contribute to the growing need for a regional approach to*  
12 *plan for the location of adequate emergency shelters. A regional*  
13 *approach would allow the expansion of existing facilities, result*  
14 *in more efficient overhead, create more efficient facilities, and*  
15 *avoid fragmenting and duplicating administrative and operating*  
16 *overhead caused by creating multiple smaller facilities in*  
17 *individual communities.*

18 *(3) In order to ensure access to services in every housing market*  
19 *area for homeless individuals and families, the cooperation of*  
20 *local redevelopment agencies and the use of pooled funds is*  
21 *necessary to increase available resources and to provide*  
22 *opportunities that would otherwise be unavailable for emergency*  
23 *shelters.*

24 *SEC. 2. Section 33021 of the Health and Safety Code is*  
25 *amended to read:*

26 *33021. Redevelopment includes any of the following:*

27 *(a) The alteration, improvement, modernization, reconstruction,*  
28 *or rehabilitation, or any combination of these, of existing structures*  
29 *in a project area.*

30 *(b) Provision for open-space types of use, such as streets and*  
31 *other public grounds and space around buildings, and public or*  
32 *private buildings, structures and improvements, and improvements*  
33 *of public or private recreation areas and other public grounds.*

34 *(c) The replanning or redesign or original development of*  
35 *undeveloped areas as to which either of the following conditions*  
36 *exist::*

37 *(1) The areas are stagnant or improperly utilized because of*  
38 *defective or inadequate street layout, faulty lot layout in relation*  
39 *to size, shape, accessibility, or usefulness, or for other causes.*

(2) The areas require replanning and land assembly for reclamation or development in the interest of the general welfare because of widely scattered ownership, tax delinquency, or other reasons.

*(d) Improving, increasing, or preserving emergency shelters for homeless persons or households and transitional housing units. The shelters and units may be located within or outside of established redevelopment project areas pursuant to Section 33334.25. Notwithstanding any other provision of law, these activities may be financed with funds available pursuant to Section 33334.3.*

*SEC. 3. Section 33334.3 of the Health and Safety Code is amended to read:*

33334.3. (a) The funds that are required by Section 33334.2 or 33334.6 to be used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing shall be held in a separate Low and Moderate Income Housing Fund until used.

(b) Any interest earned by the Low and Moderate Income Housing Fund and any repayments or other income to the agency for loans, advances, or grants, of any kind from the Low and Moderate Income Housing Fund, shall accrue to and be deposited in, the fund and may only be used in the manner prescribed for the Low and Moderate Income Housing Fund.

(c) The moneys in the Low and Moderate Income Housing Fund shall be used to increase, improve, and preserve the supply of low- and moderate-income housing within the territorial jurisdiction of the agency, *except as authorized by this part.*

(d) It is the intent of the Legislature that the Low and Moderate Income Housing Fund be used to the maximum extent possible to defray the costs of production, improvement, and preservation of low- and moderate-income housing and that the amount of money spent for planning and general administrative activities associated with the development, improvement, and preservation of that housing not be disproportionate to the amount actually spent for the costs of production, improvement, or preservation of that housing. The agency shall determine annually that the planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing.

1 (e) (1) Planning and general administrative costs which may  
2 be paid with moneys from the Low and Moderate Income Housing  
3 Fund are those expenses incurred by the agency which are directly  
4 related to the programs and activities authorized under subdivision  
5 (e) of Section 33334.2 and Section 33334.35 and are limited to  
6 the following:

7 (A) Costs incurred for salaries, wages, and related costs of the  
8 agency's staff or for services provided through interagency  
9 agreements, and agreements with contractors, including usual  
10 indirect costs related thereto.

11 (B) Costs incurred by a nonprofit corporation which are not  
12 directly attributable to a specific project.

13 (2) Legal, architectural, and engineering costs and other salaries,  
14 wages, and costs directly related to the planning and execution of  
15 a specific project that are authorized under subdivision (e) of  
16 Section 33334.2 and Section 33334.35 and that are incurred by a  
17 nonprofit housing sponsor are not planning and administrative  
18 costs for the purposes of this section, but are instead project costs.

19 (f) (1) The requirements of this subdivision apply to all new or  
20 substantially rehabilitated housing units developed or otherwise  
21 assisted with moneys from the Low and Moderate Income Housing  
22 Fund, pursuant to an agreement approved by an agency on or after  
23 January 1, 1988. Except to the extent that a longer period of time  
24 may be required by other provisions of law, the agency shall require  
25 that housing units subject to this subdivision shall remain available  
26 at affordable housing cost to, and occupied by, persons and families  
27 of low or moderate income and very low income and extremely  
28 low income households for the longest feasible time, but for not  
29 less than the following periods of time:

30 (A) Fifty-five years for rental units. However, the agency may  
31 replace rental units with equally affordable and comparable rental  
32 units in another location within the community if (i) the  
33 replacement units are available for occupancy prior to the  
34 displacement of any persons and families of low or moderate  
35 income residing in the units to be replaced and (ii) the comparable  
36 replacement units are not developed with moneys from the Low  
37 and Moderate Income Housing Fund.

38 (B) Forty-five years for owner-occupied units. However, the  
39 agency may permit sales of owner-occupied units prior to the  
40 expiration of the 45-year period for a price in excess of that

1 otherwise permitted under this subdivision pursuant to an adopted  
2 program which protects the agency's investment of moneys from  
3 the Low and Moderate Income Housing Fund, including, but not  
4 limited to, an equity sharing program which establishes a schedule  
5 of equity sharing that permits retention by the seller of a portion  
6 of those excess proceeds based on the length of occupancy. The  
7 remainder of the excess proceeds of the sale shall be allocated to  
8 the agency and deposited in the Low and Moderate Income  
9 Housing Fund. Only the units originally assisted by the agency  
10 shall be counted towards the agency's obligations under Section  
11 33413.

12 (C) Fifteen years for mutual self-help housing units that are  
13 occupied by and affordable to very low and low-income  
14 households. However, the agency may permit sales of mutual  
15 self-help housing units prior to expiration of the 15-year period  
16 for a price in excess of that otherwise permitted under this  
17 subdivision pursuant to an adopted program that (i) protects the  
18 agency's investment of moneys from the Low and Moderate  
19 Income Housing Fund, including, but not limited to, an equity  
20 sharing program that establishes a schedule of equity sharing that  
21 permits retention by the seller of a portion of those excess proceeds  
22 based on the length of occupancy; and (ii) ensures through a  
23 recorded regulatory agreement, deed of trust, or similar recorded  
24 instrument that if a mutual self-help housing unit is sold at any  
25 time after expiration of the 15-year period and prior to 45 years  
26 after the date of recording of the covenants or restrictions required  
27 pursuant to paragraph (2), the agency recovers, at a minimum, its  
28 original principal from the Low and Moderate Income Housing  
29 Fund from the proceeds of the sale and deposits those funds into  
30 the Low and Moderate Income Housing Fund. The remainder of  
31 the excess proceeds of the sale not retained by the seller shall be  
32 allocated to the agency and deposited in the Low and Moderate  
33 Income Housing Fund. For the purposes of this subparagraph,  
34 "mutual self-help housing unit" means an owner-occupied housing  
35 unit for which persons and families of very low and low income  
36 contribute no fewer than 500 hours of their own labor in individual  
37 or group efforts to provide a decent, safe, and sanitary ownership  
38 housing unit for themselves, their families, and others authorized  
39 to occupy that unit. Nothing in this subparagraph precludes the

1 agency and the developer of the mutual self-help housing units  
2 from agreeing to 45-year deed restrictions.

3 *(D) Fifty-five years for emergency shelters for homeless persons*  
4 *or households and for transitional housing units for eligible*  
5 *persons that are occupied by and affordable to very low and*  
6 *extremely low income persons and households, provided, however,*  
7 *that the covenants or restrictions recorded pursuant to paragraph*  
8 *(3) shall require that if an emergency shelter or transitional*  
9 *housing development is converted to another use prior to the*  
10 *expiration of the 55-year covenant period, the agency shall receive*  
11 *from the owner an amount equal to the agency's original*  
12 *expenditure of funds from its Low and Moderate Income Housing*  
13 *Fund plus an equity sharing amount based on a schedule of equity*  
14 *sharing set forth in the recorded covenant that requires payment*  
15 *to the agency of an amount based on length of the owner's*  
16 *compliance with the recorded covenant, unless this payment*  
17 *requirement is waived by the agency in its sole and absolute*  
18 *discretion. Proceeds received by the agency pursuant to this*  
19 *subparagraph shall be deposited by the agency in its Low and*  
20 *Moderate Income Housing Fund but those deposits shall not be*  
21 *included for purposes of calculating excess surplus pursuant to*  
22 *Section 33334.12. For the purposes of this subparagraph,*  
23 *"emergency shelter" means a facility with minimal supportive*  
24 *services for homeless persons that is limited to occupancy of six*  
25 *months or less by a homeless person or household as defined in*  
26 *subdivision (e) of Section 50801. For the purposes of this*  
27 *subparagraph, "transitional housing" means housing with*  
28 *supportive services for up to 24 months that is exclusively*  
29 *designated and targeted for recently homeless persons and may*  
30 *include self-sufficiency development services, as defined in*  
31 *subdivision (i) of Section 50801.*

32 (2) If land on which those dwelling units are located is deleted  
33 from the project area, the agency shall continue to require that  
34 those units remain affordable as specified in this subdivision.

35 (3) The agency shall require the recording in the office of the  
36 county recorder of the following documents:

37 (A) The covenants or restrictions implementing this subdivision  
38 for each parcel or unit of real property subject to this subdivision.  
39 The agency shall obtain and maintain a copy of the recorded

1 covenants or restrictions for not less than the life of the covenant  
2 or restriction.

3 (B) For all new or substantially rehabilitated units developed  
4 or otherwise assisted with moneys from the Low and Moderate  
5 Income Housing Fund on or after January 1, 2008, a separate  
6 document called “Notice of Affordability Restrictions on Transfer  
7 of Property,” set forth in 14-point type or larger. This document  
8 shall contain all of the following information:

9 (i) A recitation of the affordability covenants or restrictions. If  
10 the document recorded under this subparagraph is recorded  
11 concurrently with the covenants or restrictions recorded under  
12 subparagraph (A), the recitation of the affordability covenants or  
13 restrictions shall also reference the concurrently recorded  
14 document. If the document recorded under this subparagraph is  
15 not recorded concurrently with the covenants or restrictions  
16 recorded under subparagraph (A), the recitation of the affordability  
17 covenants or restrictions shall also reference the recorder’s  
18 identification number of the document recorded under subparagraph  
19 (A).

20 (ii) The date the covenants or restrictions expire.

21 (iii) The street address of the property, including, if applicable,  
22 the unit number.

23 (iv) The assessor’s parcel number for the property.

24 (v) The legal description of the property.

25 (4) The agency shall require the recording of the document  
26 required under subparagraph (B) of paragraph (3) not more than  
27 30 days after the date of recordation of the covenants or restrictions  
28 required under subparagraph (A) of paragraph (3).

29 (5) The county recorder shall index the documents required to  
30 be recorded under paragraph (3) by the agency and current owner.

31 (6) Notwithstanding Section 27383 of the Government Code,  
32 a county recorder may charge all authorized recording fees to any  
33 party, including a public agency, for recording the document  
34 specified in subparagraph (B) of paragraph (3).

35 (7) Notwithstanding any other provision of law, the covenants  
36 or restrictions implementing this subdivision shall run with the  
37 land and shall be enforceable against any owner who violates a  
38 covenant or restriction and each successor in interest who continues  
39 the violation, by any of the following:

40 (A) The agency.



1 (B) The community, as defined in Section 33002.

2 (C) A resident of a unit subject to this subdivision.

3 (D) A residents' association with members who reside in units  
4 subject to this subdivision.

5 (E) A former resident of a unit subject to this subdivision who  
6 last resided in that unit.

7 (F) An applicant seeking to enforce the covenants or restrictions  
8 for a particular unit that is subject to this subdivision, if the  
9 applicant conforms to all of the following:

10 (i) Is of low or moderate income, as defined in Section 50093.

11 (ii) Is able and willing to occupy that particular unit.

12 (iii) Was denied occupancy of that particular unit due to an  
13 alleged breach of a covenant or restriction implementing this  
14 subdivision.

15 (G) A person on an affordable housing waiting list who is of  
16 low or moderate income, as defined in Section 50093, and who is  
17 able and willing to occupy a unit subject to this subdivision.

18 (8) A dwelling unit shall not be counted as satisfying the  
19 affordable housing requirements of this part, unless covenants for  
20 that dwelling unit are recorded in compliance with subparagraph  
21 (A) of paragraph (3).

22 (9) Failure to comply with the requirements of subparagraph  
23 (B) of paragraph (3) shall not invalidate any covenants or  
24 restrictions recorded pursuant to subparagraph (A) of paragraph  
25 (3).

26 (g) "Housing," as used in this section, includes residential hotels,  
27 as defined in subdivision (k) of Section 37912, *emergency shelters*  
28 *for homeless persons or households, and transitional housing in*  
29 *accordance with Section 33334.35*. The definitions of "lower  
30 income households," "very low income households," and  
31 "extremely low income households" in Sections 50079.5, 50105,  
32 and 50106 shall apply to this section. "Longest feasible time," as  
33 used in this section, includes, but is not limited to, unlimited  
34 duration.

35 (h) "Increasing, improving, and preserving the community's  
36 supply of low- and moderate-income housing," as used in this  
37 section and in Section 33334.2, includes the preservation of rental  
38 housing units assisted by federal, state, or local government on the  
39 condition that units remain affordable to, and occupied by, low-  
40 and moderate-income households, including extremely low and

1 very low income households, for the longest feasible time, but not  
2 less than 55 years, beyond the date the subsidies and use restrictions  
3 could be terminated and the assisted housing units converted to  
4 market rate rentals. In preserving these units the agency shall  
5 require that the units remain affordable to, and occupied by, persons  
6 and families of low- and moderate-income and extremely low and  
7 very low income households for the longest feasible time but not  
8 less than 55 years. However, the agency may replace rental units  
9 with equally affordable and comparable rental units in another  
10 location within the community if (1) the replacement units in  
11 another location are available for occupancy prior to the  
12 displacement of any persons and families of low or moderate  
13 income residing in the units to be replaced and (2) the comparable  
14 replacement units are not developed with moneys from the Low  
15 and Moderate Income Housing Fund.

16 (i) Agencies that have more than one project area may satisfy  
17 the requirements of Sections 33334.2 and 33334.6 and of this  
18 section by allocating, in any fiscal year, less than 20 percent in  
19 one project area, if the difference between the amount allocated  
20 and the 20 percent required is instead allocated, in that same fiscal  
21 year, to the Low and Moderate Income Housing Fund from tax  
22 increment revenues from other project areas. Prior to allocating  
23 funds pursuant to this subdivision, the agency shall make the  
24 finding required by subdivision (g) of Section 33334.2.

25 (j) Funds from the Low and Moderate Income Housing Fund  
26 shall not be used to the extent that other reasonable means of  
27 private or commercial financing of the new or substantially  
28 rehabilitated units at the same level of affordability and quantity  
29 are reasonably available to the agency or to the owner of the units.  
30 Prior to the expenditure of funds from the Low and Moderate  
31 Income Housing Fund for new or substantially rehabilitated  
32 housing units, where those funds will exceed 50 percent of the  
33 cost of producing the units, the agency shall find, based on  
34 substantial evidence, that the use of the funds is necessary because  
35 the agency or owner of the units has made a good faith attempt  
36 but been unable to obtain commercial or private means of financing  
37 the units at the same level of affordability and quantity.

38 *SEC. 4. Section 33334.35 is added to the Health and Safety*  
39 *Code, to read:*

1 33334.35. (a) *The Legislature finds and declares all of the*  
2 *following:*

3 (1) *The use of housing funds pursuant to this section is of benefit*  
4 *to the project area that funds projects authorized by this section.*

5 (2) *The cost and availability of land, geophysical and*  
6 *environmental limitations, community patterns, and the lack of*  
7 *financing make the availability of affordable housing for homeless*  
8 *persons or households more difficult in some communities.*

9 (3) *The cooperation of local agencies, including the use of*  
10 *pooled funds, will result in more resources and more opportunities*  
11 *than would otherwise be available for affordable housing for*  
12 *homeless persons or households and transitional housing.*

13 (b) *As used in this section, the following terms shall have the*  
14 *following meanings:*

15 (1) *“Donor agency” means an agency that funds emergency*  
16 *shelters or transitional housing, as authorized by this section.*

17 (2) *“Emergency shelter” shall have the same meaning as*  
18 *described in subdivision (e) of Section 50801.*

19 (3) *“Housing funds” mean funds in or from the Low and*  
20 *Moderate Income Housing Fund established by an agency pursuant*  
21 *to Section 33334.3.*

22 (4) *“Housing region” means the region consisting of a donor*  
23 *agency’s community and all of the communities whose nearest*  
24 *border to the border of the donor agency’s community is not*  
25 *greater than 40 miles.*

26 (5) *“Interagency agreement” means an agreement between two*  
27 *or more agencies providing for the pooling of housing funds for*  
28 *the purpose of funding an emergency shelter or transitional*  
29 *housing pursuant to this section.*

30 (6) *“Joint powers authority” means a joint powers authority*  
31 *created pursuant to Chapter 5 (commencing with Section 6500)*  
32 *of Division 7 of Title 1 of the Government Code for the purposes*  
33 *of receiving and using housing funds pursuant to this section.*

34 (7) *“Participating agency” means an agency participating in*  
35 *a joint powers agreement or an interagency agreement pursuant*  
36 *to this section.*

37 (8) *“Permitted portion of housing funds” means in any fiscal*  
38 *year not more than 5 percent of a donor agency’s accumulated*  
39 *housing fund.*

1 (9) “Provider entity” means any person, partnership, joint  
2 venture, corporation, governmental body, or other organization  
3 receiving housing funds from a donor agency or a joint powers  
4 authority for the purpose of providing housing for homeless  
5 persons or households or persons eligible for transitional housing,  
6 pursuant to this section.

7 (10) “Receiving agency” means an agency that receives housing  
8 funds from a donor agency.

9 (11) “Transitional housing” means housing with supportive  
10 services for up to 24 months that is exclusively designated and  
11 targeted for recently homeless persons and may include  
12 self-sufficiency development services, as defined in subdivision (i)  
13 of Section 50801.

14 (c) Notwithstanding any other provision of law, donor agencies  
15 located within the same housing region may create and participate  
16 in a joint powers authority for the purpose of pooling their  
17 permitted portion of housing funds for funding emergency shelters  
18 for homeless persons or households and transitional housing for  
19 eligible persons and households. Agencies may transfer a portion  
20 of their housing funds to a joint powers authority for use by the  
21 joint powers authority pursuant to this section. The joint powers  
22 authority may determine the kinds of emergency shelter or  
23 transitional housing projects or activities to be assisted, consistent  
24 with this section. The joint powers authority may issue loans or  
25 grants, or advance transferred housing funds from participating  
26 agencies to a provider entity for any eligible emergency shelter  
27 or transitional housing project within the territorial jurisdiction  
28 of any of the participating agencies, subject to the requirements  
29 of this section. In addition, the joint powers agreement may  
30 authorize the joint powers authority to issue bonds and to use the  
31 pooled funds to leverage other funds to assist eligible  
32 developments, including loans from private institutions and  
33 assistance provided by other governmental agencies.

34 (d) Notwithstanding any other provision of law, donor agencies  
35 in communities within the same housing region may enter into an  
36 interagency agreement for the purpose of pooling their respective  
37 permitted portion of housing funds for funding the development  
38 or rehabilitation of emergency shelters for homeless persons or  
39 households and transitional housing for eligible persons or  
40 households. A donor agency may transfer its permitted portion of

1 *housing funds to a receiving agency for use by the receiving agency*  
2 *pursuant to this section. The emergency shelter project or the*  
3 *transitional housing project to be assisted shall be defined in the*  
4 *interagency agreement. The receiving agency may issue loans or*  
5 *grants, or advance transferred housing funds received from the*  
6 *donor agencies to a provider entity for any eligible emergency*  
7 *shelter project or transitional housing project within the territorial*  
8 *jurisdiction of the receiving agency, subject to the requirements*  
9 *of this section. The receiving agency may issue bonds and use the*  
10 *pooled funds to leverage other funds to assist eligible emergency*  
11 *shelter or transitional housing developments, including loans from*  
12 *private institutions and assistance provided by other governmental*  
13 *agencies.*

14 *(e) All of the following conditions shall be met and described*  
15 *in a mutually binding agreement between the joint powers authority*  
16 *and each participating agency and in the interagency agreement,*  
17 *as applicable:*

18 *(1) Each participating agency, after providing notice pursuant*  
19 *to Section 6062 of the Government Code, shall hold a public*  
20 *hearing at least 45 days prior to entering into an agreement with*  
21 *the joint powers authority or entering into an interagency*  
22 *agreement.*

23 *(2) The agreement shall require compliance by the joint powers*  
24 *authority or the receiving agency, as applicable, with the*  
25 *provisions of this section.*

26 *(3) The joint powers authority or the receiving agency, as*  
27 *applicable, shall ensure that the funds it receives are used in*  
28 *accordance with the requirements of this section.*

29 *(4) Funds transferred by an agency to a joint powers authority*  
30 *pursuant to this section shall be expended or encumbered by the*  
31 *joint powers authority or receiving agency within five years of the*  
32 *transfer. Transferred funds not expended or encumbered by the*  
33 *joint powers authority or the receiving agency, as applicable,*  
34 *within five years after the transfer shall be returned to the donor*  
35 *agency unless the donor agency and joint powers authority, or the*  
36 *donor agency and receiving agency, as applicable, each adopt a*  
37 *resolution extending the period for up to an additional five years.*  
38 *Any transferred funds returned by the joint powers authority or*  
39 *receiving agency to the donor agency shall be deposited in the*  
40 *donor agency's Low and Moderate Income Housing Fund, but*

1 shall not be included in the calculation of the donor agency's  
2 "excess surplus" pursuant to Section 33334.12.

3 (5) Pooled housing funds may only be used to pay for the direct  
4 costs of constructing, substantially rehabilitating, or preserving  
5 the affordability of emergency shelters for homeless persons or  
6 households and transitional housing for eligible persons that are  
7 affordable to very low or extremely low income households.  
8 Emergency shelters and transitional housing assisted with pooled  
9 funds shall remain available at affordable housing costs in  
10 accordance with subparagraph (D) of paragraph (1) of subdivision  
11 (f) of Section 33334.3.

12 (f) The permitted portion of housing funds transferred pursuant  
13 to this section may be used for planning and general administrative  
14 costs in the same manner as, and subject to the same requirements  
15 of, subdivision (d) of Section 33334.3.

16 (g) Notwithstanding any other provision of law, a donor agency  
17 may enter into an agreement with a provider entity to fund that  
18 provider entity's development or rehabilitation of an emergency  
19 shelter or transitional housing project in another community within  
20 the donor agency's housing region provided that all of the  
21 following requirements are met:

22 (1) The donor agency provides not less than 60 days prior  
23 written notice to the city manager and city clerk of the other  
24 community of the donor agency's intent to enter into an agreement  
25 with the provider entity.

26 (2) The donor agency shall not enter into the agreement with  
27 the provider entity if, prior to the expiration of the 60-day period  
28 set forth in paragraph 1, the community receiving notice pursuant  
29 to paragraph 1 objects in writing to the donor agency.

30 (3) If no written objection is timely given to the donor agency,  
31 the land use requirements of the community in which the  
32 development is proposed to be located shall control and that  
33 community shall timely process all land use applications for the  
34 proposed development including determinations as may be required  
35 under the California Environmental Quality Act (Division 13  
36 (commencing with Section 21000) of the Public Resources Code).

37 (h) Notwithstanding any other provision of law, the donor  
38 agency, the receiving agency, the participating agency, the joint  
39 powers authority, and the provider entity shall not be subject to  
40 the replacement housing requirements set forth in subdivision (a)

1 of Section 33413, and shall not be required to provide relocation  
2 assistance or benefits pursuant to Chapter 16 (commencing with  
3 Section 7260) of Division 7 of Title 1 of the Government Code or  
4 Section 6000 et seq. of Title 25 of the California Code of  
5 Regulations.

6 (i) For the purposes of the housing credit authorized by  
7 subparagraph (E) of paragraph (2) of subdivision (b) of Section  
8 33413, each donor agency shall be allocated a share of the unit  
9 credits in the same proportion as the percentage each donor agency  
10 contributed to the project funding provided by all donor agencies.

11 (j) The permitted portion of the housing funds transferred by a  
12 donor agency to a joint powers authority, transferred by a donor  
13 agency to a receiving agency pursuant to an interagency  
14 agreement, or provided directly by a donor agency to a provider  
15 entity, for a project in another community within the donor  
16 agency's housing region shall not be used for transitional housing  
17 unless all of the following requirements are met:

18 (1) A transitional housing program, as defined in subdivision  
19 (g) of Section 50582, is operated with respect to the transitional  
20 housing units.

21 (2) The transitional housing is located on the same parcel as  
22 an emergency shelter or on a parcel adjoining an emergency  
23 shelter, or on a parcel that is not more than one-quarter mile from  
24 the parcel on which an emergency shelter is located.

25 (3) The transitional housing, and the transitional housing  
26 program for that housing, are managed by the same provider entity  
27 as the emergency shelter specified in paragraph (2).

28 SEC. 5. Section 33413 of the Health and Safety Code is  
29 amended to read:

30 33413. (a) Whenever dwelling units housing persons and  
31 families of low or moderate income are destroyed or removed from  
32 the low- and moderate-income housing market as part of a  
33 redevelopment project that is subject to a written agreement with  
34 the agency or where financial assistance has been provided by the  
35 agency, the agency shall, within four years of the destruction or  
36 removal, rehabilitate, develop, or construct, or cause to be  
37 rehabilitated, developed, or constructed, for rental or sale to persons  
38 and families of low or moderate income, an equal number of  
39 replacement dwelling units that have an equal or greater number  
40 of bedrooms as those destroyed or removed units at affordable

1 housing costs within the territorial jurisdiction of the agency. When  
2 dwelling units are destroyed or removed after September 1, 1989,  
3 75 percent of the replacement dwelling units shall replace dwelling  
4 units available at affordable housing cost in the same or a lower  
5 income level of very low income households, lower income  
6 households, and persons and families of low and moderate income,  
7 as the persons displaced from those destroyed or removed units.  
8 When dwelling units are destroyed or removed on or after January  
9 1, 2002, 100 percent of the replacement dwelling units shall be  
10 available at affordable housing cost to persons in the same or a  
11 lower income category (low, very low, or moderate), as the persons  
12 displaced from those destroyed or removed units.

13 (b) (1) Prior to the time limit on the effectiveness of the  
14 redevelopment plan established pursuant to Sections 33333.2,  
15 33333.6, and 33333.10 at least 30 percent of all new and  
16 substantially rehabilitated dwelling units developed by an agency  
17 shall be available at affordable housing cost to, and occupied by,  
18 persons and families of low or moderate income. Not less than 50  
19 percent of the dwelling units required to be available at affordable  
20 housing cost to, and occupied by, persons and families of low or  
21 moderate income shall be available at affordable housing cost to,  
22 and occupied by, very low income households.

23 (2) (A) (i) Prior to the time limit on the effectiveness of the  
24 redevelopment plan established pursuant to Sections 33333.2,  
25 33333.6, and 33333.10 at least 15 percent of all new and  
26 substantially rehabilitated dwelling units developed within a project  
27 area under the jurisdiction of an agency by public or private entities  
28 or persons other than the agency shall be available at affordable  
29 housing cost to, and occupied by, persons and families of low or  
30 moderate income. Not less than 40 percent of the dwelling units  
31 required to be available at affordable housing cost to, and occupied  
32 by, persons and families of low or moderate income shall be  
33 available at affordable housing cost to, and occupied by, very low  
34 income households.

35 (ii) To satisfy this paragraph, in whole or in part, the agency  
36 may cause, by regulation or agreement, to be available, at  
37 affordable housing cost, to, and occupied by, persons and families  
38 of low or moderate income or to very low income households, as  
39 applicable, two units outside a project area for each unit that



1 otherwise would have been required to be available inside a project  
2 area.

3 (iii) On or after January 1, 2002, as used in this paragraph and  
4 in paragraph (1), “substantially rehabilitated dwelling units” means  
5 all units substantially rehabilitated, with agency assistance. Prior  
6 to January 1, 2002, “substantially rehabilitated dwelling units”  
7 shall mean substantially rehabilitated multifamily rented dwelling  
8 units with three or more units regardless of whether there is agency  
9 assistance, or substantially rehabilitated, with agency assistance,  
10 single-family dwelling units with one or two units.

11 (iv) As used in this paragraph and in paragraph (1), “substantial  
12 rehabilitation” means rehabilitation, the value of which constitutes  
13 25 percent of the after rehabilitation value of the dwelling, inclusive  
14 of the land value.

15 (v) To satisfy this paragraph, the agency may aggregate new or  
16 substantially rehabilitated dwelling units in one or more project  
17 areas, if the agency finds, based on substantial evidence, after a  
18 public hearing, that the aggregation will not cause or exacerbate  
19 racial, ethnic, or economic segregation.

20 (B) To satisfy the requirements of paragraph (1) and  
21 subparagraph (A), the agency may purchase, or otherwise acquire  
22 or cause by regulation or agreement the purchase or other  
23 acquisition of, long-term affordability covenants on multifamily  
24 units that restrict the cost of renting or purchasing those units that  
25 either: (i) are not presently available at affordable housing cost to  
26 persons and families of low or very low income households, as  
27 applicable; or (ii) are units that are presently available at affordable  
28 housing cost to this same group of persons or families, but are  
29 units that the agency finds, based upon substantial evidence, after  
30 a public hearing, cannot reasonably be expected to remain  
31 affordable to this same group of persons or families.

32 (C) To satisfy the requirements of paragraph (1) and  
33 subparagraph (A), the long-term affordability covenants purchased  
34 or otherwise acquired pursuant to subparagraph (B) shall be  
35 required to be maintained on dwelling units at affordable housing  
36 cost to, and occupied by, persons and families of low or very low  
37 income, for the longest feasible time but not less than 55 years for  
38 rental units and 45 years for owner-occupied units. Not more than  
39 50 percent of the units made available pursuant to paragraph (1)  
40 and subparagraph (A) may be assisted through the purchase or

1 acquisition of long-term affordability covenants pursuant to  
2 subparagraph (B). Not less than 50 percent of the units made  
3 available through the purchase or acquisition of long-term  
4 affordability covenants pursuant to subparagraph (B) shall be  
5 available at affordable housing cost to, and occupied by, very low  
6 income households.

7 (D) To satisfy the requirements of paragraph (1) and  
8 subparagraph (A), each mutual self-help housing unit, as defined  
9 in subparagraph (C) of paragraph (1) of subdivision (f) of Section  
10 33334.3, that is subject to a 15-year deed restriction shall count as  
11 one-third of a unit.

12 (E) *To satisfy the requirements of paragraph (1) and*  
13 *subparagraph (A), each bed in an emergency shelter, as defined*  
14 *in subparagraph (D) of paragraph (1) of subdivision (f) of Section*  
15 *33334.3, that is subject to a 55-year covenant or deed restriction*  
16 *shall count as one-half of a unit, and each transitional housing*  
17 *unit that is subject to a 55-year covenant or deed restriction shall*  
18 *count as a full unit in the same manner as a rental housing unit.*

19 (3) The requirements of this subdivision shall apply  
20 independently of the requirements of subdivision (a). The  
21 requirements of this subdivision shall apply, in the aggregate, to  
22 housing made available pursuant to paragraphs (1) and (2),  
23 respectively, and not to each individual case of rehabilitation,  
24 development, or construction of dwelling units, unless an agency  
25 determines otherwise.

26 (4) Each redevelopment agency, as part of the implementation  
27 plan required by Section 33490, shall adopt a plan to comply with  
28 the requirements of this subdivision for each project area. The plan  
29 shall be consistent with, and may be included within, the  
30 community's housing element. The plan shall be reviewed and, if  
31 necessary, amended at least every five years in conjunction with  
32 either the housing element cycle or the plan implementation cycle.  
33 The plan shall ensure that the requirements of this subdivision are  
34 met every 10 years. If the requirements of this subdivision are not  
35 met by the end of each 10-year period, the agency shall meet these  
36 goals on an annual basis until the requirements for the 10-year  
37 period are met. If the agency has exceeded the requirements within  
38 the 10-year period, the agency may count the units that exceed the  
39 requirement in order to meet the requirements during the next

1 10-year period. The plan shall contain the contents required by  
2 paragraphs (2), (3), and (4) of subdivision (a) of Section 33490.

3 (c) (1) The agency shall require that the aggregate number of  
4 replacement dwelling units and other dwelling units rehabilitated,  
5 developed, constructed, or price restricted pursuant to subdivision  
6 (a) or (b) remain available at affordable housing cost to, and  
7 occupied by, persons and families of low-income,  
8 moderate-income, and very low income households, respectively,  
9 for the longest feasible time, but for not less than 55 years for  
10 rental units, 45 years for home ownership units, and 15 years for  
11 mutual self-help housing units, as defined in subparagraph (C) of  
12 paragraph (1) of subdivision (f) of Section 33334.3, except as set  
13 forth in paragraph (2). Nothing in this paragraph precludes the  
14 agency and the developer of the mutual self-help housing units  
15 from agreeing to 45-year deed restrictions.

16 (2) Notwithstanding paragraph (1), the agency may permit sales  
17 of owner-occupied units prior to the expiration of the 45-year  
18 period, and mutual self-help housing units prior to the expiration  
19 of the 15-year period, established by the agency for a price in  
20 excess of that otherwise permitted under this subdivision pursuant  
21 to an adopted program that protects the agency's investment of  
22 moneys from the Low and Moderate Income Housing Fund,  
23 including, but not limited to, an equity sharing program that  
24 establishes a schedule of equity sharing that permits retention by  
25 the seller of a portion of those excess proceeds, based on the length  
26 of occupancy. The remainder of the excess proceeds of the sale  
27 shall be allocated to the agency, and deposited into the Low and  
28 Moderate Income Housing Fund. The agency shall, within three  
29 years from the date of sale pursuant to this paragraph of each home  
30 ownership or mutual self-help housing unit subject to a 45-year  
31 deed restriction, and every third mutual self-help housing unit  
32 subject to a 15-year deed restriction, expend funds to make  
33 affordable an equal number of units at the same or lowest income  
34 level as the unit or units sold pursuant to this paragraph, for a  
35 period not less than the duration of the original deed restrictions.  
36 Only the units originally assisted by the agency shall be counted  
37 towards the agency's obligations under Section 33413.

38 (3) The requirements of this section shall be made enforceable  
39 in the same manner as provided in paragraph (7) of subdivision  
40 (f) of Section 33334.3.

(4) If land on which the dwelling units required by this section are located is deleted from the project area, the agency shall continue to require that those units remain affordable as specified in this subdivision.

(5) For each unit counted towards the requirements of subdivisions (a) and (b), the agency shall require the recording in the office of the county recorder of covenants or restrictions that ensure compliance with this subdivision. With respect to covenants or restrictions that are recorded on or after January 1, 2008, the agency shall comply with the requirements of paragraphs (3) and (4) of subdivision (f) of Section 33334.3.

(d) (1) This section applies only to redevelopment projects for which a final redevelopment plan is adopted pursuant to Article 5 (commencing with Section 33360) on or after January 1, 1976, and to areas that are added to a project area by amendment to a final redevelopment plan adopted on or after January 1, 1976. In addition, subdivision (a) shall apply to any other redevelopment project with respect to dwelling units destroyed or removed from the low- and moderate-income housing market on or after January 1, 1996, irrespective of the date of adoption of a final redevelopment plan or an amendment to a final redevelopment plan adding areas to a project area. Additionally, any agency may, by resolution, elect to make all or part of the requirements of this section applicable to any redevelopment project of the agency for which the final redevelopment plan was adopted prior to January 1, 1976. In addition, subdivision (b) shall apply to redevelopment plans adopted prior to January 1, 1976, for which an amendment is adopted pursuant to Section 33333.10, except that subdivision (b) shall apply to those redevelopment plans prospectively only so that the requirements of subdivision (b) shall apply only to new and substantially rehabilitated dwelling units for which the building permits are issued on or after the date that the ordinance adopting the amendment pursuant to Section 33333.10 becomes effective.

(2) An agency may, by resolution, elect to require that whenever dwelling units housing persons or families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project, the agency shall replace each dwelling unit with up to three replacement dwelling units pursuant to subdivision (a).

1 (e) Except as otherwise authorized by law, this section does not  
2 authorize an agency to operate a rental housing development  
3 beyond the period reasonably necessary to sell or lease the housing  
4 development.

5 (f) Notwithstanding subdivision (a), the agency may replace  
6 destroyed or removed dwelling units with a fewer number of  
7 replacement dwelling units if the replacement dwelling units meet  
8 both of the following criteria:

9 (1) The total number of bedrooms in the replacement dwelling  
10 units equals or exceeds the number of bedrooms in the destroyed  
11 or removed units. Destroyed or removed units having one or no  
12 bedroom are deemed for this purpose to have one bedroom.

13 (2) The replacement units are affordable to and occupied by the  
14 same income level of households as the destroyed or removed  
15 units.

16 (g) “Longest feasible time,” as used in this section, includes,  
17 but is not limited to, unlimited duration.

18 ~~SECTION 1. Section 2079 of the Health and Safety Code is~~  
19 ~~amended to read:~~

20 ~~2079. (a) The board of trustees shall provide for regular audits~~  
21 ~~of the district’s accounts and records pursuant to Section 26909~~  
22 ~~of the Government Code. If an audit identifies an irregularity or~~  
23 ~~an accounting issue, the board of trustees shall adopt a formal,~~  
24 ~~written response and provide this response to the appointing~~  
25 ~~authority of each member of the board of trustees.~~

26 ~~(b) The board of trustees shall provide for the annual financial~~  
27 ~~reports to the Controller pursuant to Article 9 (commencing with~~  
28 ~~Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5 of~~  
29 ~~the Government Code.~~

30 ~~SEC. 2. Section 2082 of the Health and Safety Code is amended~~  
31 ~~to read:~~

32 ~~2082. (a) A district may levy special benefit assessments~~  
33 ~~consistent with the requirements of Article XIII D of the California~~  
34 ~~Constitution to finance vector control projects and programs.~~

35 ~~(b) Before beginning a vector control project or program~~  
36 ~~proposed to be financed pursuant to this section, the board of~~  
37 ~~trustees shall adopt a resolution that does all of the following:~~

38 ~~(1) Specifies its intent to undertake the project or program.~~

39 ~~(2) Generally describes the project or program.~~

40 ~~(3) Estimates the cost of the project or program.~~

1     ~~(4) Estimates the duration of the proposed special benefit~~  
2     ~~assessment.~~

3     ~~(e) After adopting its resolution pursuant to subdivision (b), the~~  
4     ~~board of trustees shall proceed pursuant to Section 53753 of the~~  
5     ~~Government Code. The board of trustees shall also mail the notice~~  
6     ~~described in subdivision (b) of Section 53753 to the appointing~~  
7     ~~authority of each member of the board of trustees within the~~  
8     ~~timeframe described in that subdivision, except that this notice~~  
9     ~~shall not include the amount chargeable to a specific record owner's~~  
10    ~~parcel. The members of the board of trustees shall make~~  
11    ~~themselves, as well as district staff, available to the appointing~~  
12    ~~authority and the staff of the appointing authority to discuss the~~  
13    ~~proposed special benefit assessment at any time prior to the public~~  
14    ~~hearing described in the notice. The board of trustees shall also~~  
15    ~~notify each appointing authority of this availability.~~

16    ~~(d) The special benefit assessments levied pursuant to this~~  
17    ~~section shall be collected at the same time and in the same manner~~  
18    ~~as county taxes. The county may deduct an amount not to exceed~~  
19    ~~its actual costs incurred for collecting the special benefit~~  
20    ~~assessments before remitting the balance to the district. The special~~  
21    ~~benefit assessments shall be a lien on all the property benefited.~~  
22    ~~Liens for the assessments shall be of the same force and effect as~~  
23    ~~liens for property taxes, and their collection may be enforced by~~  
24    ~~the same means as provided for the enforcement of liens for county~~  
25    ~~taxes.~~

26    ~~SEC. 3. No reimbursement is required by this act pursuant to~~  
27    ~~Section 6 of Article XIII B of the California Constitution because~~  
28    ~~a local agency or school district has the authority to levy service~~  
29    ~~charges, fees, or assessments sufficient to pay for the program or~~  
30    ~~level of service mandated by this act, within the meaning of Section~~  
31    ~~17556 of the Government Code.~~